



Accelerating Government Efficiency

"Here's just one example of our efficiency efforts: In April of 1998, a year ago, it took 27 days to process the renewal of a contractor's license. Twenty-seven days. Thanks to streamlining by our Labor and Industries Department, it now is done in one day. And the list goes on and on."

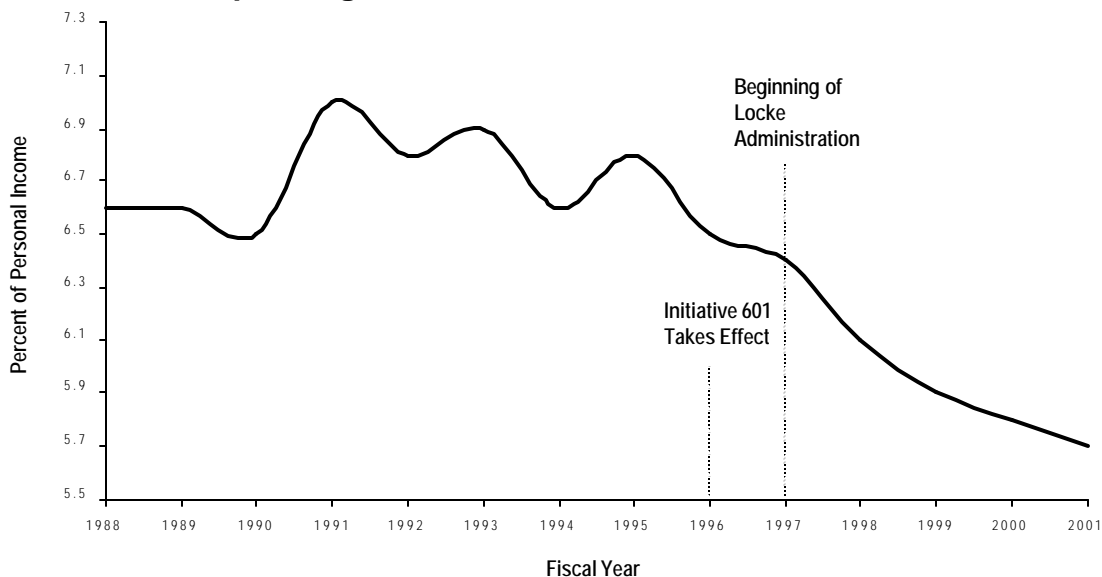
— Governor Gary Locke, Tri-Cities Capital for a Day
July 1999

The Locke Administration took three early and significant steps designed to change the quality and efficiency of state government service. Two executive orders set standards for deregulation and quality. The Savings Incentive Program created incentives for state employees and managers to save money, rather than the old "spend it or lose it" system.

After several years of effort, successes can be found in every department of state government. They range from the Department of Revenue's creation of on-line electronic tax filing, to the Department of Labor and Industries' success in reducing the time it takes to renew contractor licenses from 27 days down to one. In addition, the Governor's Savings Incentive Program - which encourages state agencies to redirect savings to productivity improvements and education activities - has generated \$159 million for these purposes since 1997.

In the campaign to shrink bureaucracy, a 1997 executive order instructed state agencies to intensify their rule review activity in order to weed out and eliminate unnecessary rules and regulations. The total number of repealed rule sections for all state agencies now stands at 4,673. In addition, the size of state government is shrinking as a proportion of the state economy. Since 1995, state General Fund expenditures as a percent of total state personal income has declined from 6.8 percent to 5.7 percent.

GF-S Spending as a Percent of Personal Income has Declined



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The Work Must Continue

In 2000, the Governor proposes to accelerate the transformation of state government operations through civil service and pension system changes; redeployment of the workforce; improvement of contract management and direct service delivery to citizens; and expansion of the Savings Incentive Program.

Reform Civil Service

In an important effort to make state government more flexible and responsive to changing needs, the Governor is resubmitting to the Legislature proposals to:

- Streamline the state's cumbersome job-classification system to improve efficiency and mobility.
- Allow agencies and post-secondary education institutions to contract out services to businesses and nonprofit organizations.
- Expand collective bargaining for classified civil service employees to include wages, hours, and terms and conditions of employment.

Enhance Public Disclosure

Increased human and technological resources will allow the Public Disclosure Commission (PDC) to fully address the new and expanded duties placed on them last legislative session. The 1999 legislation requires the PDC to offer electronic filing services to lobbyists and the employers of lobbyists, provide rapid Internet access to campaign and lobbying reports, and implement mandatory electronic filing for approximately 300 continuing political committees.

The investments made in this supplemental budget will allow the agency to meet public and legislative demands for quick access to vital campaign reporting information. They will also help filers comply with the law and use the new technology, improve overall efficiency through applications of modern hardware and software, and allow the agency to properly investigate the increasing number of complaints filed by the public. Proposed funding: \$818,000 GF-S.

Change the Pension System

In recent years, the Legislature has recognized that the Plan 2 retirement system for teachers and school employees needed reform. As the job market tightens, the Plan 2 system is not helping the state recruit and retain staff. The Governor proposes reforms to the Plan 2 system, which will save money and make the benefit package more attractive. The most recent actuarial valuation determined that the funding status for the state retirement system is such that our pension funding goals may still be reached with even lower contribution rates. The Governor proposes adopting those lower rates combined with improvements to benefits that will reduce the current financial penalties for retirement before age 65.

Re-deploy the Workforce

In both of his biennial budgets the Governor has focused on shifting the overall distribution of the state government workforce toward education and public safety and away from more traditional general government functions. This budget continues that direction along with a targeted elimination of at least 1,500 positions by the end of the biennium. General government employment as measured by the number of state workers per 1,000 of state population will have declined by nearly 5 percent since 1997. To the extent possible, these new reductions will be accomplished primarily through attrition, targeted early retirement, voluntary separation, and re-deployment.

Improve Contract Management

Funding is provided to the Office of Financial Management to implement the recommendations of the Task Force on Agency Vendor Contracting Practices. These recommendations include the development of standardized policies and procedures for social service contract administration; the development of training and resource materials to implement the new policies and procedures by state employees and contractors; and the establishment of a centralized contract database to provide access to information on social service contracting across state agencies. Proposed funding: \$574,000 GF-S.

Expansion of the Savings Incentive Program

The supplemental budget assumes a proposal to broaden the current Savings Incentive Program beyond the state General Fund. This will allow agencies to keep some portion of their dedicated account efficiency savings in order to re-invest in new operational and service improvements, with the remainder returning to the dedicated fund balance. Because of legal restrictions on the use of dedicated funds, savings cannot be redirected to education.

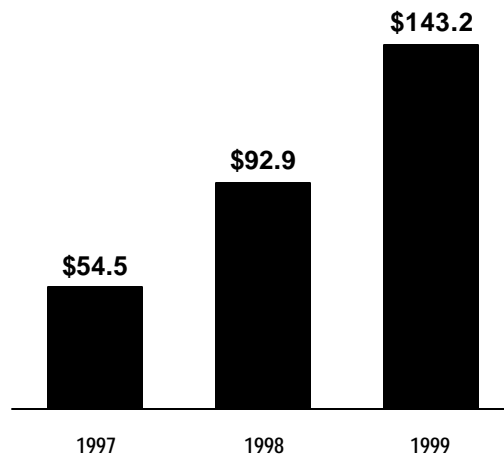
The Savings Incentive Program Benefits Education

The Governor's Savings Incentive Program encourages state agencies to improve productivity by redirecting annual savings internally, and into a statewide Education Savings Account.

Since 1997, 90 percent (\$143 million) of total state agency savings of \$159 million have gone to school construction, higher education, and technology.

Since 1997, More Than \$143 Million Redirected into the Education Savings Account

Dollars in Millions



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Improve Direct Service Delivery Through the Internet

Using the same combination of electronic commerce and digital technologies that are transforming the consumer experience in the private sector, this budget proposal provides the customers of state government “one-stop” service on the Internet as well as by phone. Washington residents will have the ability to register their vehicles and/or apply for their master business licenses over the Internet. The proposal also provides support for additional on-line services to be provided through a common state infrastructure. Citizens will be able to interact with many different agencies through a secure and seamless system. Proposed funding: \$4 million GF-S, \$9 million other funds.

Fish and Wildlife’s Business and Information Systems

Funding is provided to implement the findings of the recently completed Information Strategic Plan. In the 1999-01 biennial budget, the Department of Fish and Wildlife received funding to upgrade its information management systems, including the development of the Information Strategic Plan. The Department will continue upgrades to its computer network and employee personal computers. Staff will also be hired to provide additional user support, manage information system projects, and develop and implement a standardized computer architecture. Proposed funding: \$580,000 GF-S.

Improved Employment Flexibility

Like many employers, Washington is experiencing increasing difficulty in attracting the qualified, flexible workforce it needs. Government, like the private sector, has come to value the contribution retirees can make to an overall workforce strategy. In the past, record keeping systems limited retiree employment to one or more days in any five months. This was intended to ensure that no retiree worked more than five months full-time. More accurate record keeping will allow the rule to be enforced as intended, using the workday equivalent of the five-month maximum throughout the year. Such a change will provide the state a pool of experienced talent to respond to emerging needs and temporary workload issues. Proposed funding: \$117,000 Department of Retirement Systems Expense Account.